

MINUTES
BOARD OF TRUSTEES' MEETING
July 28, 2017 1:30 p.m.
Adams Administration Building, Troy University Campus
Troy, Alabama

The Troy University Board of Trustees convened at 1:30 p.m. on July 28, 2017 in the Adams Administration Building on the Troy University Campus, Troy, Alabama.

I. Call to Order

Board President Pro-Tem Gerald Dial called the meeting to order. Members of the media present from WSFA Television were recognized. Mr. Dial welcomed all members and guests

II. Roll Call

Senator Dial called for a roll call. The following members answering present: Senator Gerald Dial, Mrs. Karen E. Carter, Mr. Ed Crowell, Dr. Roy H. Drinkard, Mr. John D. Harrison, Dr. Earl V. Johnson, Mr. Lamar P. Higgins, Mr. Forrest Latta, and Mr. Gibson Vance. Absent: Governor Kay Ivey, Mr. Charles Nailen, Mr. Allen Owen and SGA President Ashli Morris.

III. Approval of Minutes

A draft copy of the May 12, 2017 minutes was provided to the Board members prior to the meeting. Senator Dial called for a motion to approve the minutes as presented.

ACTION: MR. CROWELL MADE A MOTION TO ACCEPT THE MINUTES FOR THE MAY 12, 2017 MEETING AS PRESENTED. THERE WERE NO CORRECTIONS OR ADDITIONS BROUGHT FORWARD. FOLLOWING A SECOND BY MRS. CARTER AND WITH NO FURTHER DISCUSSION, THE MOTION CARRIED AND THE BOARD ADOPTED THE MINUTES AS PRESENTED.

IV. Reports

A. Chancellor

The Chancellor welcomed members of the Board and presented the agenda for the meeting, stating that the centerpiece of the meeting was passing the budget for the upcoming year. The agenda as outlined by the Chancellor follows:

- Academic Affairs, Mrs. Carter
 - Creating the School of Social Work and Human Services
- Finance Committee, Mr. Harrison
 - Financial Report by Dr. Jim Bookout, Senior Vice Chancellor for Finance and Business Affairs
 - Approval of the budget for FY 2018

- Athletic Policy Committee, (Mr. Owen – absent)
 - Athletics Report by Mr. Jeremy McClain, Director of Athletics

Chancellor Hawkins commended Mr. Harrison and the Finance Committee on a job well done.

A summary of the Chancellor's comments follows:

Challenges to Higher Education

- Challenges extend far beyond Troy University
- Since tenure at TROY, 485 colleges or universities have closed, merged or realigned; on average six per year close. US Dept. of Education maintains list of 500 financially challenged institutions with 100 of those failing

- Impact of technology -- 10 million online learners; shift in enrollment to online
- Declining state support
- Unbudgeted deferred maintenance -- \$16 million at TROY; \$1 billion in Alabama, \$51 billion in U.S.A.
- Competition -- 315 universities doing business in Alabama
- Declining confidence in American higher education
- Immigration policy -- Washington, D.C. rhetoric driving foreign students to other countries; sensible policy needed, international enrollments down about 10 percent to near 2015 levels

Textbook Initiative

- Faculty representatives from all colleges developing "best practices"
- Faculty transitioning from textbooks to OER
- Projected savings of \$60,000 this year; goal of \$200,000 next year

Points of Pride

- Final stage of AACSB accreditation
 - Site visit scheduled Fall 2018
 - Expected completion of AY 2018-2019
 - Main benefit is to be competitive with peers
- \$519,000 NOAA Gulf shoreline grant
- Concert Chorale to perform in Carnegie Hall May 2018
- SE Journalism Conference Awards
 - Best College TV Station
 - Best Video News Program
- TROY hosting National Junior Classical League
- Mr. Higgins thanked for bringing the AME Church Conference to Troy University
- TROY rated #3 Greek system in Alabama
 - Record rush -- 1,522 in 2016
 - AOPi newest sorority
 - ATO 'march to the sea' raised \$40,000 for wounded veterans and was #1 chapter in the nation last year

Study Abroad

- Institutional commitment to sending students abroad for study
 - Costa Rica trip
 - Pietrasanta, Italy trip
 - Cost is a major obstacle for students; car tag scholarships to expand to \$1,000.

Dates to remember

- Sept. 2: Football opens at Boise State
- Sept. 9: Home opener vs. Alabama State
- Sept. 23: Military Appreciation Day
- Sept. 29-Oct. 1: BOT football at LSU
- Oct. 27-29: Homecoming weekend
- Dec. 15: Fall Commencement/ BOT meeting
 - DeMarcus Ware, commencement speaker
- May 11, 2018: Spring Commencement in Troy

Chancellor Hawkins then introduced Tori Lee Averett, chair of the Department of Theatre and Dance, who made comments regarding the study abroad trip to Pietrasanta, Italy. Mrs. Averett thanked the Board and the Chancellor for their commitment to study abroad and providing access to international travel for students. She then introduced three students who attended the trip, each making brief comments. Those students were:

- Patrick Jackson, of Troy, making his first trip outside the U.S.;
- Kenzie Haynes, a senior dance education major from Nashville, Tenn.; and
- Caitlyn Hicks, a junior hospitality, sport and tourism management major (performing arts minor) from Troy.

Senator Dial thanked Mrs. Averett and the students for their remarks, stating the presentation was a reminder that Board members were there to serve and support the students and faculty members.

Dr. Johnson sought clarification on the total number of students on the trip – 13 students.

Senator Dial informed the board the Legislature had passed legislation allowing for the sale of custom boat tags that would provide funding to both State Parks and the University.

B. Board Committee Reports

A. Academic Affairs, Honorable Karen Carter

Senator Dial called on Mrs. Carter to present the Academic Affairs Committee report. Mrs. Carter said the committee met and worked on one piece of business for Board action.

Mrs. Carter commended Dr. Earl Ingram, Senior Vice Chancellor for Academic Affairs, and Dr. Denise Green, Dean of the College of Health and Human Services for success in the Social Work Program. TROY's program is ranked in the top 50 in the U.S. and as the best in Alabama; it is the only such program to be housed in a department rather than a school.

Resolution No. 1

ACTION: SENATOR DIAL ENTERTAINED A MOTION TO ADOPT RESOLUTION NO. 1. WITH NO FURTHER DISCUSSION, MR. HIGGINS MADE A MOTION TO ADOPT RESOLUTION NO. 1. A SECOND TO THE MOTION WAS MADE BY MR. CROWELL AND THE MOTION PASSED.

Resolution No. 1

Creating the School of Social Work and Human Services

WHEREAS, Troy University's Social Work program began more than 50 years ago as a unit of the Department of Psychology and the Human Services program began as the result of federal grants; and

WHEREAS, today the Department of Human Services and Social Work is a unit of the College of Health and Human Services; and

WHEREAS, the Social Work program has distinguished itself by being ranked as the best program in Alabama and among the top 50 in the United States of America and is the only program ranked housed in a "Department" rather than in the more academically prestigious "School"; and

WHEREAS, the Masters of Social Work, a terminal degree in the field, was added to the course of study in August 2014; and

WHEREAS, offering a terminal degree has been the traditional factor in deciding to convey School status on a Department;

THEREFORE, be it resolved, that the Department of Human Services and Social Work at Troy University will be re-designated the School of Social Work and Human Services.

B. Finance Committee, Honorable John Harrison

Senator Dial called on Mr. Harrison to present the Finance Committee report. Mr. Harrison stated the Committee had met on July 13 in Montgomery with Drs. Bookout, Dew, Tatum, Chancellor Hawkins, Mr. Vance, Mr. Drinkard, Mr. Nailen and himself to discuss and carry forward discussions from the last quarterly meeting relative to establishment of tuition rate.

Mr. Harrison called on Dr. Bookout to provide a financial report on the institution and present the proposed budget.

Dr. Bookout stated his presentation would cover:

1. 2017 Progress to Date
2. 2018 Revenue Considerations
3. 2018 Proposed Operating Budget
4. Funds Held for Investment
5. Facilities Update
6. Budget Resolution

2017 Progress to Date

- Revenue exceeds expenses
- \$10 million higher in revenue than last FY
- Unrestrictive revenues (as of June 30) \$183,335,391
- Unrestricted expenses (as of June 30) \$172,798,413

2018 Revenue Considerations

- Enrollment – Full time up 1.55 percent over last year; part time down 4.13 percent; summer enrollment up .41 percent
- Credit Hour Production – 2018 projections total 391,175 hours; actual to date are 381,731
- History of Undergraduate Tuition Rate Changes – compares Alabama universities
- Undergraduate tuition rates – TROY remains the seventh of 13 state universities in terms of tuition rates, which range from \$449 per credit hour to \$254 per credit hour.
- Graduate tuition rates – TROY is number six of 13 state universities in terms of tuition rates, which range from \$599 per credit hour to \$326 per credit hour
- Cost of attendance – TROY is number seven of 13 state universities in terms of cost of attendance, ranging from \$10,340 per semester to \$6,435. TROY's cost of attendance is \$7,546 per semester
- State appropriations – state appropriates account for just 21 percent of the total projected budget for FY 2018; TROY has smallest amount of state support of any public university; second highest tuition and fee revenue generated per dollar of state funds; FTE funding remains at or near the bottom of public universities in Alabama

Proposed 2018 Operating Budget

- The total proposed revenue budget for FY '18 is \$232,807,500, a 4 percent increase over FY 2017. FY '18 revenue budget includes no transfer of reserve funds.
- Most of the increase in revenue comes from an increase in tuition – about \$8 million, and increased credit hour production – about \$1.3 million.

A discussion followed relative to scholarship projections. Dr. Bookout introduced Dr. John Dew, Senior Vice Chancellor for Student Services, who heads a scholarship study committee.

Dr. Dew explained changes in the Chancellor's Scholarship and Millennium Scholarship that will cap both scholarships at a specific dollar figure. The move will help address a shortfall in scholarship money, making more available to in-state students and increasing the competitiveness of the scholarships.

A general discussion followed regarding details of the savings plan and targets to increasing scholarships by 2020.

Proposed Expense Budget

- Total expense budget is \$232,807,500; \$9 million increase in total budget is allocated as 1 percent salary and benefits; 2 percent expense umbrella; 18 percent in scholarships and a decrease of 1 percent in auxiliary services.

Funds Held for Investment

- Investments are in good hands. The Foundation is investing per policy of the portfolio's total market value at \$64.6 million and a one-year return of 11.81 percent.

Facilities Update

- Elm Street parking lot – take out pool and add parking spaces
- McKinley improvements – two lanes expanding to three in areas and back to two lanes (turning lane)
- Sodexo paying \$2.5 million to expand food court in Trojan Center.
- University Wellness and Recreation Center – bid was scheduled to go out in July but are delayed.
- Parking lot bids came in under budget.
- North Stadium project under way.

After a brief general discussion and comments from Mr. Harrison, Resolution No. 2 was read and the following action taken.

Resolution No. 2

ACTION: MR. HARRISON MOVED FOR THE ADOPTION OF RESOLUTION NO. 2; SECONDED BY DR. JOHNSON. THERE WAS NO DISCUSSION AND THE RESOLUTION WAS ADOPTED UNANIMOUSLY.

Resolution No. 2

**Approving the Fiscal Year
2018 Budget**

WHEREAS, the administration of Troy University has developed and recommended **the Troy University budget** for FY 2017-2018 and

WHEREAS, as the Chancellor has reviewed the revenues and expenditures within the proposed budget and has determined that the proposed budget is fiscally sound; and

WHEREAS, the Board members were briefed on various new revenues during the Board meeting in May 2017; and

THEREFORE, BE IT RESOLVED by the Board of Trustees on the 28th day of July 2017 that the budget for 2017-2018 fiscal year is approved with the understanding that the Chancellor is authorized to make such changes from time to time as, in his judgment, may be necessary, and that the Board of Trustees will be notified when substantial changes are made or there is a significant deviation from the approved budget that results in an increase of ten percent (10%) or higher; and

BE IT FURTHER RESOLVED that the Board of Trustees, due to continued volatility in enrollment trends and certain budgeted cost considerations, authorizes the flexibility for the Chancellor to adjust compensation to faculty, staff and classified employees of the university should it be determined funds will be available for the forthcoming year; such determination shall be concluded at a later date.

Sen. Dial offered general comments regarding the beauty of the campus and commending University leadership for its work in keeping the University beautiful and growing. Chancellor Hawkins commented that Dr. Doug Hawkins would have been most pleased with the addition of parking on campus.

C. Athletic Policy Committee, Honorable Allen Owen

Sen. Dial stated that due to unforeseen circumstances, Mr. Owen was not able to attend the meeting. He then called on Mr. Jeremy McClain to present the Athletics report.

Mr. McClain stated his presentation would cover the following points:

- Year in Review (provided in separate publication)
- Strategic Plan
- North End Zone Update
- Football Preview

Year in Review

- Publications present Trojan Athletics in graphical format for donors and other members

Strategic Plan

- Eight focus areas
 - Academic excellence
 - APR success
 - Overall GPA 3.0
 - 80 percent graduation rate
 - Athletic excellence
 - Men's Golf – NCAA appearance
 - Women's Golf – NCAA appearance
 - Men's Basketball – NCAA appearance
 - Women's Basketball – NCAA appearance
 - Football – DG Bowl champions
 - Bubas Cup
 - Student-Athlete welfare
 - Cost-of-Attendance Program – provides \$3,000 per year above full scholarship
 - Senior Exit Interviews – goal is 50 percent to interview as they leave our campus to talk about their experience; allows us to make changes
 - Dr. Johnson asked for examples of exit interviews; a general discussion ensued.
 - Nutritional needs – Strength and conditioning and nutrition are two key areas; nutrition needs improvement
 - Athletes report “outstanding” experience
 - Compliance/Diversity/Gender Equity
 - Improvements – staffing changes promote new blood; looking at every area and better documentation
 - Interview and hiring procedures – following University procedures and making sure pool is diverse
 - Stewardship
 - Approach is zero-based budget; what are needs
 - Sandy Atkins commended for work with coaching staff
 - Guarantee game revenue – increase coming in upcoming games
 - LSU right at \$1 million and moving above the million mark
 - Revenue Generation
 - Annual fund growth – goal is 10 percent, grown 30 percent

- Ticket Sales
 - Up 40 percent in ticket sales this year over last
 - Expectation is 10 percent up
- Corporate revenue growth
 - Goal: 5 percent; current is up 10 percent
- Licensing revenue
 - Goal is 20 percent; not achieved yet but heading in that direction; new staff helping that effort
- Fan Engagement
 - Post-game surveys to season ticket holders
 - Record crowds; last year highest crowds yet; shift is to basketball
 - Staff additions; Brent Jones and Kyle George making good in roads
- Athletic Facilities
 - North End Zone
 - Track Resurfacing
 - Need to develop more specific master plan for facilities in Athletics
- Football season preview -- upcoming games/season schedule


Chancellor Hawkins led a general discussion concerning Athletics developments, including a SEC home-and-home agreement with Mississippi State. Mr. McClain stated that being a major development, and a great opportunity for the program. Mr. Latta discussed a Power 5 discussion. Mr. McClain stated he would get back with the board, and noted few opportunities for non-Power 5 programs to jump conference. He noted a chance for the Sun Belt to capitalize in Power 5. Sen. Dial noted the Board's appreciation.

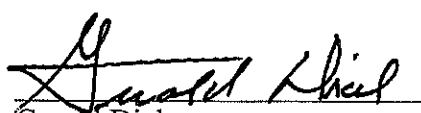
IV. New Business

There was no new business presented.

V. Adjournment

Mr. Higgins moved for adjournment. The motion was seconded by Mr. Harrison. There was no discussion and the motion passed.


Jack Hawkins, Jr., Ph.D.
Chancellor and
Secretary to the Board of Trustees
Troy University


Gerald Dial
President pro tempore,
Board of Trustees
Troy University